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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## CANADIAN CATTLE POOL OPERATES UNDER NEW COMPANY

The United Livestock Growers, Limited, is the name of the new company incorporated to take over the business formerly conducted by the Livestock Department of the United Grain Growers, Ltd. The new organization has begun business and is operating as a strictly cooperative concern, distributing its profits to shippers on a cooperative basis. It takes over the accounts of the Livestock Department as of July 1, 1924, with all profits accruing since that time. On that date the United Grain Growers, Ltd., announced that it would cease to draw any profits from the livestock business, which from thenceforth would be conducted on a strictly cooperative plan for the benefit of livestock shippers alone.

The new agency starts its career under most favorable conditions as it begins with an organization which is already marketing one-quarter of the livestock of Western Canada, and has the support and confidence of shipping associations at many points. It also has well established connections on the markets of Eastern Canada, United States, and Great Britain, to which Canadian cattle are consigned. In addition, many farmers purchasing feeder cattle have come to rely on the cattle pool. One hundred fifty thousand cattle have already been marketed satisfactorily through the pool, and this satisfaction is one of the great assets of the new company.

Distribution of profits will be made to shippers to the cattle pool, and any profits arising from commissions charged for handling livestock will be added to the amount available in the cattle pool. It is believed that this will be simpler and more satisfactory than to declare a separate dividend apportioned to different shipments of cattle, hogs, and sheep.

The plan for making the livestock business strictly cooperative was inaugurated by the United Grain Growers, in order that the cooperative marketing of livestock might be stimulated and that the producers might become a greater factor in the market by increasing the volume of cattle marketed through a single channel.

Local associations are already highly developed at a number of points. Some of these have recently gone on a contract basis, the members agreeing to ship all their stock through the local association for one year.

Headquarters are at Winnipeg, and offices are maintained on the markets at St. Boniface, Moose Jaw, Calgary, and Edmonton.

### OHIO COMPANY BUYS LIVESTOCK IN ORDER

Buying livestock on order for packers from county shipping associations, is the business of the Eastern States Company, Columbus, Ohio. This company was organized and financed by the Producers' Cooperative Commission Associations at Buffalo, Cleveland, and Pittsburgh, and the Ohio Livestock Shippers' Association, Columbus.

Organized late in 1923, the Eastern States Company began operations February 15, 1924. It has established itself on the three markets and at Ohio concentration points, has made connections with slaughterers and sources of livestock, and has launched a campaign for the standardization of grades on livestock in Ohio. It is said to have had a stabilizing effect on the markets served.

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### ONE-FOURTH OF COMMISSIONS REFUNDED TO SHIPPERS

One-fourth of the commission charges paid to the Producers' Commission Association, Indianapolis, for the marketing of livestock during the year ending March 31, 1925, is being refunded to shippers. This is being done after the transfer to the reserve fund of a very substantial sum. The refunds are being made only to shippers who are members of the associations affiliated with the Producers' Association. Refunds which stand to the credit of nonmembers will be used for educational work.

During the year ending with March 31, the Producers' Commission Association handled approximately 12,284 cars of livestock which was sold for \$17,884,779. Of the total cars, 5,727 came from shipping associations. Cars of stock were received from the different states as follows: Indiana, 9,245; Illinois, 3,019; Missouri, 10; Texas, 5; Minnesota, 2; Tennessee, Kentucky and Iowa, one each.

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### SIoux CITY ASSOCIATION MAKES FIRST ANNUAL REPORT

At the close of its first year of operation, March 31, 1925, the Producers' Commission Association, Sioux City, Iowa, reports that it has handled 3,426 cars of stock with a gross value of \$5,537,722. Of this sum the shippers have been paid \$5,085,413, or 95.2 per cent. Total expenses were \$252,309, of which commissions amounted to \$60,558, or 1.1 per cent; transportation charges, \$126,562, 2.4 per cent; while feed, yardage, inspection, and insurance made up the remainder. About 75% of the cars handled were loaded with hogs.

An additional business in stockers and feeders purchased came to \$52,720 for 69 car loads, mostly cattle and calves. Commissions for this service totaled \$783. This brought the whole number of cars of stock to 3,505, with a gross value of \$5,390,443. The average commission per car was \$17.50, and the average cost of handling was \$15.74, a saving of \$1.76 per car, or a total saving of \$6,174.36.

CANADIAN WHEAT GROWERS RECEIVE SECOND ADVANCE

Canadian wheat producers have recently received checks for about \$25,000,000 in a second payment on wheat handled through the Alberta, Saskatchewan, and Manitoba wheat pools. This payment was at the rate of 35¢ per bushel for No. 1 wheat. The first advance was \$1 per bushel, and it is expected that the final settlement will be made in July. The Canadian Cooperative Wheat Producers, Limited, Winnipeg, is the central selling agency for the three pools.

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THIRD DISTRIBUTION ON KANSAS WHEAT

Distribution of checks for third payment for 1924 wheat was ordered on Friday, March 13, by the Kansas Wheat Growers' Association, Wichita, Kan., and it was expected that the work would be completed within the month. This payment will bring prices for No. 1 and No. 2 to \$1.05 per bushel; No. 3, \$1.05; No. 4, \$1.01; No. 5, \$.98; and Sample, \$.95. The final payment is to be made in June. In order to give the office force time to prepare for this settlement, it has been decided to close the pool on April 15. Any wheat received after that date will be included in the 1925 pool.

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COLORADO WHEAT POOL PRACTICALLY CLOSED

With the sale of 35 cars of wheat in a single day in March, the 1924 wheat pool of the Colorado Wheat Growers' Association was practically cleaned up. Some smaller lots remain to be sold and wheat is to be received up to May 31. Announcement was made on April 15 that the prices which members would receive for their 1924 wheat had been figured out and that about May first, checks would be mailed covering all but about 3-1/2 cents per bushel. This sum will be withheld for a final payment after all wheat is sold and the pool closed. A schedule has been prepared showing the net prices to members at various delivery points in the state, and instructions are given by which a member may determine the price he will receive for his wheat.

The development of local units is progressing. Specific agreements have been drawn up between the Colorado Wheat Growers' Association and the committees of several of the locals already established in the northern part of the state. Under these agreements the locals will receive one cent per bushel for all wheat handled at local delivery point. In return for this, the locals will supervise the business details of the work in their respective towns. This, it is stated, will give the members in each locality a more direct voice in the management of the organization. It is stated that the plan has been responsible for interesting many non-members in the activities of the association.



### SUN-MAID GROWERS PASS ON NEW MEMBERS

Any grower wishing to become a member of the Sun-Maid Raisin Growers of California, Fresno, must make formal application to the board of directors, it is announced. At least three members must endorse his application. No application will be presented to the board of directors unless all of the grower's crop is included in the contract. All contracts covering only a part of the member's acreage were cancelled at the last withdrawal period by the association.

The application of a prospective member goes to the Growers' Service Division, which transmits it to the board of directors with a recommendation as to whether the grower shall be admitted or rejected. Under this plan, it is stated, loyal members have an effective veto against the admission of growers who they know are not good cooperators.

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### RAISIN ASSOCIATION PASSES CRISIS

The problem of handling the large 1923 crop of raisins has been successfully solved, according to a report of the president and managing director to the members of the Sun-Maid Raisin Growers of California. A carry-over of 100,000 tons from the 1922 season, added to the 1923 crop, gave the association 360,000 tons, nearly three times more raisins than were ever sold by the association in any one year. The distribution of the 1923 crop was slowed down by the necessity of selling as much of the 1922 crop as possible, and the quality of the 1923 crop was much below the average, due to weather conditions, but in spite of these handicaps the 1923 tonnage was sold at prices which yielded almost three cents a pound for the entire crop. The successful marketing of the large 1922 carry-over, together with the 1923 tonnage, is considered by the organization as a triumph in cooperative marketing.

By complete coordination of all packing operations it is estimated that a minimum of \$340,000 annually will be saved to the members. Reduction in the cost of plant supervision; elimination of nonproductive labor; lessened expenses for equipment, insurance, and repairs; a saving in the investment in packing material; reduced cost of administration; savings in depreciation and replacements of machinery; and a consolidation of the work of inspection; are some of the items which contribute to the savings effected in the operating department. The consolidation was made possible in part through a unique change in the sales procedure of the association. Formerly sales were made only for the current and succeeding months, and the larger portion of these orders was generally held back until the last days of the month. As a result, many of the plants were overloaded for a few days each month in the fall when shipments were heaviest. The sales organization has now divided the country into two equal parts. In one section the association's selling month is the calendar month, and in the other the association's selling month runs from the 15th to the 15th. This device, the association reports, was entirely acceptable to the trade and immediately reduced the operating peaks by 50%.

A TYPICAL CALIFORNIA FRUIT ASSOCIATION

One of the typical units of the California Fruit Exchange, Sacramento, is the Auburn Fruit Exchange, located at Auburn, Calif. It was organized October 23, 1915, by about fifty growers, and became affiliated with the California Fruit Exchange the same year. It has been an active local ever since. In the first year of operation the fifty growers shipped 102 cars of fruit which sold for \$138,512. In 1923 the membership had grown to 125, and the 306 cars shipped brought a total of \$474,962. Nineteen twenty-four was a year of short crops but 142 growers shipped about 245 cars, for which \$497,472 was received. Fruit shipped includes cherries, peaches, plums, pears, grapes, persimmons, and quinces.

The packing house built in 1915 was paid for completely during the following year. The withholdings amount to over \$52,000, and buildings and equipment are valued at over \$10,000. Refunds from the California Fruit Exchange, instead of being distributed immediately to the growers, are held, one-half for two years, and one-half for five years, thus giving the organization working capital.

Increase of the business made it necessary to expand in 1921 and the exchange now has twice as much packing house space as was originally planned.

This organization has always been a leader in matters of standardization. Its officers and directors have taken a great interest in better grading and better packing. Beginning with 1923 a field man has been employed to work among the growers to insure better grading and packing. The past two years the fruit has been pooled.

In 1924 a series of tests were made, in cooperation with the department of Pomology of the University of California, to determine the proper stage of maturity at which to pick different varieties of plums and other deciduous fruits. Tests were also made of the relation of the quantity of irrigation water to maturity and keeping quality and to the increase in sugar content as the fruit advances to maturity. It is hoped to continue these studies and to be able to determine definite facts regarding sugar content as a guide in picking the fruit for eastern markets.

This association is situated near the locality where gold was first discovered in California, and it is stated that "the early gold miners planted the first trees, many of which are still bearing fruit." Most of the irrigation water is piped to the orchards under the old system used by the miners.

Freedom from killing frosts is attested by the fact that "there is not a single smudge pot in the district."

Practically all kinds of deciduous fruits are grown, beginning with the early cherries and continuing through the late fall pears. Placer County is the largest plum-producing county in California. Citrus fruits and olives are also grown in this region.

### POTATO EXCHANGE PLANS TO ENLARGE TERRITORY

A plan to enlarge the operating field of the organization to include growers in North Dakota and Wisconsin was approved at the annual meeting of the county trustees of the Minnesota Potato Growers' Exchange, St. Paul, Minn., April 21 and 22. Authority to do this was granted on the condition that standard contracts be signed and that local units be formed at points where at least 50% of the commercial acreage is contracted.

The executive board was instructed to make arrangements at once whereby a part of the current price for potatoes would be paid to members upon delivery in the fall. This was impossible last season as the organization was without capital, and was unable to secure credit because of its newness in the field.

Formation of contact units at each shipping point was also authorized, for the purpose of cutting down the cost of getting potatoes from the farms into cars. It was found that the biggest item of expense this year was the cost of operating local warehouses.

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### COMMUNITY CANNING PLANTS BEING ESTABLISHED IN INDIANA

Twenty-one community canning plants are being established by the Indiana Canning Crops Exchange, Indianapolis, for handling a part of the 1925 tomato crop. The equipment for the plants is being furnished by the state exchange but the operation will be in the hands of local associations. The output of the community plants will be marketed through the Indianapolis office of the Indiana Farm Bureau Federation.

It is estimated that each community plant will serve from 6 to 20 farmers and that these plants will have a daily capacity of two-thirds of a carload each. It is expected that the state farm bureau will finance the canning operations.

The state exchange, in addition to promoting community plants, has entered into contract with 20 commercial canning companies for receiving and buying the tomatoes grown by the members of its local associations during the canning season. The contract price is \$14 a ton.

The Indiana Canning Crops Exchange is the overhead organization for 35 incorporated local associations. Each local selects a representative for each 100 members or major fraction thereof and these representatives become attorneys-in-fact for the locals and trustees of the state exchange. An executive committee of five is selected by the trustees to manage the exchange.

Marketing contracts running to the local associations have been signed by the tomato growers. This marketing contract covers the canning crops grown during the years 1924-1928 and provides that the members shall deliver such crops for sale through the exchange. The contract further provides that "the association shall pool, or mingle,....with products of like variety, grade and quality delivered during the crop season..... and each pool shall cover the deliveries of the entire crop season as determined by the association."



CRANBERRY EXCHANGE REDUCES ADVERTISING EXPENDITURES

Sales of cranberries of the 1924 crop by the American Cranberry Exchange, New York City, totaled 352,809 barrels, compared with 374,917 barrels in 1923, according to a tentative report of the general manager, dated April 20, 1925. Details of the operations in the various sections of the country were presented.

A surplus of \$17,000 from the season's operations was shown by the report of the treasurer. The board of directors has authorized the purchase of a store in Chicago which is expected to be ready for occupancy early in the fall.

Expenditures for advertising were greatly reduced in 1924, only \$77,783 being devoted to this purpose, in contrast with \$194,530 in 1923, and \$179,773 in 1922. The division of these sums for the several years is presented, the larger items in the list being as follows:

Expended for	1924	1923	1922
Newspapers	\$30,233	\$115,777	\$121,599
Magazines	20,388	33,859	27,811
Retail service	7,623	15,121	14,350
Color printing	13,756	15,101	10,650

It was felt that with the greatly reduced advertising in the magazines and newspapers the exchange succeeded only in keeping the brand name in the minds of the public. The advertising in early October was considered very effectual in reminding consumers that cranberries were on the market.

About \$8,000 was used in February and March for newspaper advertising in New York, Boston, Chicago, Minneapolis and St. Paul. Good results were noted in New York, Minneapolis and St. Paul in daily store sales, also throughout Minnesota generally. There was no apparent response in Chicago and advertising was discontinued after two weeks. Boston also failed to respond.

Retail service work was conducted by one crew which visited 13,000 retail dealers in a number of the large cities during October and November, giving out recipe folders, display cards and cranberry scoops. Letters were also sent to 30,000 retail dealers who had been visited the previous season, reminding them that the new crop of cranberries was on the market. Retail dealers in New York and Boston were visited again in February, in an effort to arouse new interest.

### PACIFIC WOOL GROWERS OPEN WAREHOUSE

In order to accommodate its rapidly expanding business, the Pacific Cooperative Wool Growers, Portland, Oregon, has recently taken over an old wool warehouse at 12th and Davis Streets, Portland, which will hereafter be known as the Pacific Wool Warehouse. The offices of the association have been moved to this building.

The new home is a five-story brick structure, 200 x 200 feet, located in the warehouse and business section where it may be reached easily by the woolen mills, visiting buyers, and members. The capacity is double that of the old warehouse and from 5,000,000 to 8,000,000 pounds of wool can be stored and processed at one time. It will be operated as a United States licensed warehouse. Wool from the north-western states will be handled at this plant, while the California and Nevada wools will be handled at the Harbor Warehouse in San Francisco.

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### NATIONAL WOOL EXCHANGE BEGINS BUSINESS

The National Wool Exchange, Helena, Mont., was incorporated February 26, 1925, under the laws of Delaware, as a marketing agency for wool growers and wool growers' associations. It is owned and operated by wool growers, and supersedes the National Wool Warehouse and Storage Company, Chicago, which went out of business after the 1924 sales. The principal business office is in Boston.

The authorized capital stock is 5,000 shares, of which 2,000 shares are 6% cumulative preferred stock with a par value of \$100 each, and 3,000 shares are common stock of no par value. With each share of preferred stock sold at par, one share of common stock at \$1 may be sold to the same purchaser. Provision is made for the retirement of the preferred stock, after which retirement interest may be paid on common stock. It is stated that \$100,000 was subscribed when incorporated and \$100,000 more is being solicited.

For the present the capacity of the company is limited to 12,000,000 pounds of grease wool per year.

The organization has 214 members, nearly all of whom are farmers. It is proposed to handle wool for stockholders of the company, for cooperative associations and other wool growers' associations which by contract constitute the company their sales agency. Wool from individual growers will be handled only after first providing for the tonnage of such stockholders and associations.

Handling charges, including storage and fire insurance for five months, selling and accounting, are at the following rates: (a) 2-1/4 cents per pound on all original bag lots exceeding 5,000 pounds; (b) 2-1/2 cents per pound on all lots exceeding 5,000 pounds which are graded by the exchange; and (c) 2-3/4 cents on all shipments less than 5,000 pounds.

Negotiable warehouse receipts will be issued on request provided the wool is free from incumbrance.

INDIANA WOOL PRODUCERS PLANNING FOR PERMANENT STATE POOL

Steps are being taken for the organization of the wool producers of Indiana, into the Indiana Wool Growers' Association. The new association will be formed under the recently enacted cooperative marketing act. It will be without capital stock and not for profit. A marketing agreement has been drawn and is now being submitted to wool growers for signature. This agreement provides for the sale by the grower to the association of the wools produced during the years 1926, 1927, 1928, 1929, and 1930, and for the subsequent years, except that after 1930 any contract may be terminated on April 30 of any year by means of written notice executed between November 1 and November 30.

The association agrees to resell the wool received from its members and to return to the producers the net amounts from the sale of wools of like quality, grade and classification. A maximum deduction of 2 per cent of the gross resale proceeds is permitted the association for the township campaigns for the purpose of obtaining signatures to the marketing agreement.

The wool clip of 1925 as in the past four years, will be handled by the Farm Bureau in cooperation with the Ohio <sup>Wool</sup> Growers' Association. Fleeces will be shipped direct to the association warehouse at Columbus, Ohio. Arrangements have been made this season for an advance of 30 cents a pound on the receipt of the wool at the warehouse. The Indiana Farm Bureau Federation has provided for the insurance of Indiana wools against theft, fire and accident beginning with the delivery of the clips for shipment.

The wool marketing department of the Indiana Farm Bureau has handled more than two and a quarter <sup>million</sup> pounds of wool for its members in the past four years. The figures are as follows:

1921 .....	1,231,152 pounds
1922 .....	239,025 "
1923 .....	405,188 "
1924 .....	350,085 "
Total .....	2,275,450 "

Aside from the financial benefits, which have been estimated at 5 cents a pound to the poolers, certain other beneficial results are noted as follows: The wool grower has been shown the actual grade of his wool for the first time; full value was received for wool at time of sale; wool was moved from farmer to mill in an orderly way; the spread in prices was narrowed; condition of wool was improved and the industry encouraged; the sheep population was increased 25 per cent in four years.



### FARM BUREAU PROVES HELPFUL AS PURCHASING AGENT

Business of much greater volume is expected by the purchasing department of the Indiana Farm Bureau Federation, Indianapolis, Ind., for the 1925 feed pool. About 3,000 tons of feed was handled in the first pool, extending from September 1, 1924, to April 1, 1925, and the management is confident that this amount can be increased to 15,000 or 20,000 tons the coming season. The pool last year was confined to dairy and poultry feeds, but this year will include hog feeds also. An average of 1,300 tons of all kinds of feed is being handled outside the pool every month by the purchasing department.

Seven service stations are now being operated by the department, which are reported to be paying their way and rendering service to farmer patrons. Four additional stations are being planned for the coming year. The Indianapolis station sent out its first patronage refund to 1,970 farmers early in March. This refund showed a saving of 4% for the forty-one counties represented.

Plans are being made for handling twice the volume of fertilizer used last year, which was about 7,000 tons. It has been shown in numerous instances that a saving can be made through the purchase of farm bureau fertilizers. One farmer received a patronage dividend of \$103 on the fertilizers bought last fall for his own use.

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### MELON GROWERS PLANNING FERTILIZER PLANT

Plans for the Sowega Fertilizer Corporation have now been perfected by the committee appointed for that purpose by the Sowega Melon Growers' Association, Adel, Ga. These plans call for a new corporation, strictly cooperative and nonprofit, with a paid-in capital of not less than \$5,000, which may be increased to \$100,000, shares of stock to be \$10 each. Stock will be sold only to members of the Sowega Melon Growers' Association and the Georgia Sweet Potato Growers' Association, and all stock subscriptions must be paid before August 1, 1925. One share of stock will entitle the member to buy four tons of fertilizer from the association. For larger quantities he will be required to purchase additional stock.

The location of the new plant is not yet determined but it will be located at some point in the southern part of the state where both incoming and outgoing freight rates are favorable. It is proposed to furnish members with fertilizer at cost. Materials will be bought in advance of the season's needs, under contract and otherwise, for delivery when needed. Standard and special mixtures will be made up as ordered and shipped out as the purchaser desires. All goods will be sold for cash, and unless paid for in advance, all shipments will be made with a sight draft attached to the bill of lading and will be sold on a delivered basis.



"THE BIGGEST DAIRY COMPANY IN THE WORLD"

"The largest individual dairy company of the British Empire and of the world," is the claim of the New Zealand Cooperative Dairy Company, Ltd., Hamilton, N. Z. Its output for the 1922-23 season was 20,020 tons of butter, 3,455 tons of cheese, 3,842 tons of mill powder, and 826 tons of casein. This brought to the farmer-members the sum of £4,500,000 (\$21,899,000). Eighty individual cargoes of dairy produce left New Zealand during that season in refrigerated vessels for the British market.

The present organization resulted from the amalgamation of three large companies operating in the South Auckland Province: the New Zealand Dairy Association, Ltd., the Thames Valley Dairy Company, and the Waikato Dairy Company. The first two were established in 1901, and the third in 1909. Production of butter by the three companies, and by the new company since the three were united, is shown below:

Year Ending	Production of Butter		
	New Zealand Dairy Assn. (Tons)	Waikato Dairy Company (Tons)	Thames Valley Dairy Company (Tons)
1902	1,075		94
1903	1,110		161
1904	1,332		209
1905	1,376		211
1906	1,426		238
1907	1,789		331
1908	1,597		305
1909	1,951		408
1910	2,485	132	561
1911	3,442	450	565
1912	4,116	680	750
1913	4,520	900	870
1914	5,064	1,100	1,130
1915	4,816	1,200	1,345
1916	5,118	1,513	1,444
1917	5,901	1,700	1,234
1918	5,285	2,000	1,001
1919	5,622	2,296	1,580
	New Zealand Cooperative Co.		
1920	8,717		1,678
1921	12,688		
1922	18,218		
1923	22,020		

New Zealand's total production of butter for the year 1923 was 67,173 tons, of which the Auckland Province produced 35,123 tons, and of this quantity the New Zealand Cooperative Dairy Company Ltd., marketed over 61 per cent.

Three important steps taken soon after consolidation to improve the quality of the butter, were, (1) the introduction of a grading system, (2) the employment of dairy instructors, and (3) the establishment of a monthly newspaper called "The Dairyfarmer."

A premium of one halfpence per pound was offered for superfine cream over the standard price paid for first grade, and a penalty of one pence imposed for second grade. This penalty was later increased to two pence. This system of grading, supplemented by instruction on the farms and through the press, is considered the chief factor in the improvement in quality secured during the past four years.

The dairy inspectors are vested with drastic powers but have used these powers with discretion and have won their way into the confidence of the producers and are now looked upon as friends and advisers rather than as inspectors. Through the monthly newspaper it has been possible to dispense many valuable suggestions and much scientific information.

As a result of these efforts the quality of the butter improved rapidly in four years till nearly 88% graded superfine. This improvement in quality is shown in the following table:

Year	Output	Superfine	First	Second
:	:	:	Grade	Grade
:	(Tons)	(Per cent)	(Per cent)	(Per cent)
1919-20	10,395	60	32	8
1920-21	12,000	72.25	20	7.75
1921-22	18,218	74	18.5	7.5
1922-23	22,020	87.76	9.41	2.83

"Superfine" butter is sold under the "Anchor" brand, and is shipped in 56-pound boxes, mostly to England. An office is maintained in London.

In addition to butter, the company manufactures large quantities of cheese. At present 15 factories are operated throughout the district, and a uniform system of manufacture is adopted in order to standardize the quality and the grade. Production in 1923 amounted to 3,450 tons. Three large factories carry on the manufacture of milk powder. Twelve motor trucks collect the milk and only that of superfine quality is used for the milk powder. Progress has been made in the last few years in the manufacture of casein and in 1922-23, 826 tons were made, nearly all of which was first grade.

A progressive move in 1921 was the acquisition of about 1,200 acres of coal bearing property, to provide for the heavy coal requirements of the numerous factories. This was sufficiently developed to be officially opened in July, 1923, in the presence of about 2,000 interested farmer shareholders. An adjoining 2,000 acres has been secured under a strong lease. These properties are considered a very valuable asset to the company.

An up-to-date laboratory is maintained and serves as a means of stopping many hitherto unseen leaks and losses. Testing milk and cream, bacteriology, cultures for cheese and casein, utilization of by-products, research, are among the lines of activity.

FIVEFOLD INCREASE IN BUTTERFAT HANDLED

Growth of the River Falls Cooperative Creamery, River Falls, Wis., has been steady ever since its organization in March 1912. During the first 21 months the business was comparatively small and no records are available. Development since that time is indicated in the following figures selected from the annual reports, showing a fivefold increase in product handled in the eleven years:

Year :	Butterfat : Received :	Total : Receipts :	Paid for : Butterfat :	Average : Price :	Per cent : Paid Patrons :	Net Gain : for Year :
:	(Pounds) :	:	:	(Cents) :	:	:
1914 :	196,431 :	\$72,862 :	\$59,618 :	31.08 :	81.82 :	\$1,088 :
1915 :	260,504 :	92,051 :	77,320 :	30.70 :	83.96 :	1,941 :
1916 :	321,810 :	130,235 :	110,433 :	35.37 :	84.59 :	4,003 :
1917 :	348,561 :	180,483 :	157,958 :	46.59 :	87.52 :	2,396 :
1918 :	418,881 :	256,936 :	228,618 :	55.88 :	88.97 :	1,154 :
1919 :	496,997 :	359,679 :	323,085 :	66.14 :	89.92 :	3,022 :
1920 :	562,934 :	406,015 :	365,255 :	65.77 :	89.96 :	2,805 :
1921 :	739,717 :	370,184 :	323,838 :	44.19 :	87.48 :	3,254 :
1922 :	888,569 :	423,034 :	379,750 :	43.04 :	89.76 :	5,895 :
1923 :	----- :	549,322 :	Not available			
1924 :	1,088,043 :	542,129 :	488,922 :	45.21 :	90.18 :	3,448 :

A considerable increase in the value of the buildings and equipment from 1914 to 1924 is noted, as well as in certain other items selected from the balance sheets of the two years, as shown below:

	1914	1924
Real estate and building .....	\$8,205	\$12,104
Equipment .....	1,659	15,715
Capital stock issued .....	4,470	13,180
Reserve fund .....	326	a/ 5,635
Undivided profit .....	479	3,244

a/ 1923

Total assets amounted to \$11,174 in the former year and to \$33,800 in 1924 which closed with a surplus of \$3,420. An educational fund has been maintained, usually ranging from \$400 to \$600. In 1923 the sum of \$500 was carried to a building reserve account.

Ice cream is an important product of the association. The quantity manufactured has increased from seven thousand gallons in 1914 to ten thousand gallons the past year.

One man has been manager of the company during its entire existence and nearly every auditor's report comments upon the excellent manner in which the records are kept.



INVESTIGATING COMMITTEE REPORTS ON TOBACCO ASSOCIATION

The report of the committee investigating the Tobacco Growers' Cooperative Association, Raleigh, N. C., emphasizes the fact that "a cooperative is primarily an organization of persons and that those persons are the grower members." It states that the business of the growers cannot be ignored without serious consequences, and criticizes the association management for its failure to recognize the necessity of giving the membership full and frank information regarding the business policies and practices of the association.

The Investigating Committee was composed of the Directors of Extension of Virginia, North Carolina and South Carolina, the Directors of the Divisions of Markets in Virginia and North Carolina; representatives of the Commissioners of Agriculture in Virginia and North Carolina, and the editors of two farm papers. Its study of the organization was undertaken at the request of the association, acting through its executive committee.

The report of the committee, made public April 28, contains 28 typewritten pages. It describes the functions of the various departments of the association, reports its findings relative to the operation of these departments, and gives the committee's recommendations.

The committee did not find, as had been charged, that the association paid excessive interest rates or practiced discrimination in favor of certain financial institutions. It criticized the finance department largely for failure, in some instances, to itemize expense accounts.

In calling attention to the fact that more warehouses had been purchased than were needed, the committee placed the blame mainly upon the growers who had signed contracts and failed to deliver their tobacco. It was recommended that surplus warehouses be sold as rapidly as possible, also that the positions of warehouse manager and local grader be combined wherever practicable. Salaries in the warehouse department were found to be out of line with those of other departments. The committee expressed the belief that many warehouse managers had been tactless and arbitrary in their dealings with the grower members.

As a matter of principle, the committee criticized the association for having as paid officials of the organization, members of its board of directors and recommended that this practice be discontinued.

The report suggested an enlargement of the field service force and recommended "that the board instruct it to give complete information on the problems and difficulties of the association, as well as the progress and successes of the association; that nothing be kept from the membership except those things which might interfere with the sale of tobacco." It was further stated that "the committee is convinced that from the very beginning there has been a woeful lack of coordination in the several departments of the association."

The several sections of the report covered in considerable detail the annual audit, the finance department; the leaf department; the legal department; the field service department; the association's redrying policy; the public directors, the duties of both members and management.



FURTHER PAYMENTS FOR 1923 WISCONSIN TOBACCO

A recent distribution on 1923 tobacco by the Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis., amounted to \$230,000 and brought the payments on the 1923 crop to \$2,315,600, of which about \$1,200,000 has been paid since the beginning of 1925. This payment applies to Northern sorting tobacco and the nondescript No. 2 of the South. The cost of sorting and packing is deducted from pools to which this payment applies, also one cent per pound to cover cost of marketing, and one-half cent per pound for working capital. When the actual cost of marketing is determined there will be a further payment for the difference between the one cent per pound deducted and the actual expense.

Payments on the various pools of this crop to the present time have ranged from 7.5 cents to 32 cents per pound.

Large sales of 1924 stemming tobacco have been negotiated recently. Packing is reported as progressing rapidly in the Northern districts. Warehouses are now running at Chippewa Falls, Independence, Crandon, Viroqua, Coon Valley, Soldiers' Grove, and De Soto.

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NEW SIGN-UP CAMPAIGN LAUNCHED IN CONNECTICUT VALLEY

Whether the Connecticut Valley Tobacco Association is to continue is to be decided in the near future. The present contracts expire when the 1926 crop is received and a second membership campaign is being conducted by the association. The new agreement covers the five years, 1927 to 1931, inclusive, and is being offered to members and non-members alike. The contract becomes effective provided growers cultivating 15,000 acres have signed by May 25.

It is stated that total payments of \$1,689,374 have been made for 1924 tobacco, and that a payment of \$1,500,000 is to be distributed during May to growers of Havana Seed and Broadleaf varieties, evenly divided between the two. This will be the largest distribution made during any month since the association has been operating.

During the three years of operation, the farmers of the Connecticut Valley, through their association, have sold over 50,000,000 pounds of tobacco, for which they have received over \$15,000,000. There are over 100 warehouses operated for the assorting, packing and sweeting of tobacco, which warehouses during the packing season have employed a maximum of nearly 5,000 people.

Plans are being made by the association to handle its own hail insurance this season and a bill incorporating the Connecticut Valley Mutual Hail Insurance Company passed both houses of the legislature and was signed by the governor on April 9. This assures the association of a satisfactory charter under which to organize the company and furnish hail insurance to its members. It is proposed to handle the insurance business in the regular offices without extra assistance, and it is expected that substantial savings in the premiums will be effected.

TWO MORE STATES ENACT MARKETING LAWS

Nebraska and New Mexico have recently passed statutes providing for the incorporation of stock and nonstock cooperative associations. Each of these statutes is comprehensive. Each contains the usual provisions with respect to the propositions which shall be set forth in articles of association of organizations formed under them, and, in addition to these customary formal requirements, each statute contains the following language:

In addition to the foregoing, the articles of incorporation of any association incorporated hereunder or any amendment thereof, may contain any provision consistent with law with respect to management, regulation, government, financing, reserves, indebtedness, membership, the establishment of voting districts and the election of delegates for representative purposes, or any provisions relative to the way or manner in which it shall operate or with respect to its members, officers or directors, and any other provisions relating to its affairs.

In view of the provision just quoted, it is apparent that producers desiring to form an association under the statute have great latitude and choice with respect to the provisions which may be covered in the charter (articles of association) of the organization. If those interested in forming a given association have special or unusual plans which they wish to have reflected in the charter, the language quoted above will permit them to provide therefor. It should be remembered that there must be statutory authority for every proposition that is included in the articles of association of a given association, and if such statutory authority does not exist the inclusion of unauthorized provisions in the articles of association is without avail. It should also be remembered that all persons doing business with an incorporated cooperative association or other corporation, are charged by law with notice of all provisions which are included in the charter of the corporation. The statute of New Mexico referred to above is unique in that it provides a means by which a member in the event of mismanagement or wrong doing on the part of the association may withdraw therefrom. This particular provision reads as follows:

In the event of mismanagement or wrong, whereby a producer or member has been inequitably subjected to loss or damage or unequal treatment, he may apply to the district court by a bill in equity for the nullification of his contract and membership, which shall be decreed upon the establishment of the substantial allegations of his complaint, and thereby he shall be released from his marketing contract with the association and from his membership therein.

L. S. Hulbert.

SERIES OF MEETINGS PLANNED FOR MISSOURI COTTON GROWERS

Plans are being made by the Missouri Cotton Growers' Association, New Madrid, Mo., for a series of meetings in July and August for cotton farmers and other persons interested in the cotton industry. These meetings will be held in the cotton producing counties of the state. One feature of the gatherings will be demonstrations of grading and classing cotton by a licensed cotton classer from the Arkansas Cotton Growers' Cooperative Association. It is believed that these demonstrations will be of special interest as many of the growers know but little of the value of the different grades and staples. There will also be talks on improved methods of production, and on the picking and ginning of the crop, with special reference to how the market values are affected by these processes. The motion picture showing the cooperative marketing of cotton, prepared by the United States Department of Agriculture, will be another feature of the series of meetings. It is also planned to have a representative of the association tell of the progress of the cooperative marketing of cotton.

The annual meeting of the association will be held on May 19, at which time directors will be elected. It is expected that final settlement will be made prior to that date.

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EARLIEST SETTLEMENT MADE BY ARIZONA COTTON ASSOCIATION

Final settlement for 1924 cotton was sent out on March 8, by the Arizona Pima cotton Growers, Phoenix, Ariz. This is the earliest settlement ever made by this or any other cotton association. No other settlement has been made before June 1, on which date the Arizona association completed its operations last year.

The total number of bales handled was 9,748, an increase of 22 per cent over last year, with an average weight of 489 pounds per bale. The actual association expense was \$2.15 per bale, while drayage, storage, insurance, and other handling charges amounted to \$2.05 per bale, making a total of \$4.20 as compared with \$5.06 per bale last season, a decrease of \$.86.

Average pool prices ranged from 41.517 cents to 48.855 cents for Pima of varying grades and staples, and from 21.278 cents to 26.152 cents for short cotton, while bolly cotton brought from 16 cents to 18 cents.

The association also handled 4,775 tons of cotton seed which was graded in two pools, the good seed bringing \$22.60 per ton, and the bolly seed, \$16.

The total turnover for the season was approximately \$1,500,000. A two per cent deduction was made for reserves.



### LOANS TO COOPERATIVE ASSOCIATIONS

Direct loans to cooperative marketing associations by the 12 Federal Intermediate Credit Banks were outstanding to the amount of \$29,125,839 on April 25, according to a recent report. Loans to cotton associations totalled \$2,623,500; to tobacco associations, \$19,432,640; wheat associations, \$1,003,707; raisins, \$4,000,000; prunes, \$1,216,450. Smaller amounts were loaned to associations handling broom corn, olive oil, peanuts, wool and canned fruits and vegetables.

Rediscounts of the paper of agricultural credit corporations totalled \$18,664,851 on the same date. Of the direct loans \$8,500,000 were in the Baltimore district; \$7,743,511 in the Louisville district and \$5,435,387 in the Berkeley district. The Columbia district lead in rediscounts with \$8,190,089, of which \$8,121,507 was to agricultural credit corporations.

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### IRELAND DEVELOPING POULTRY ASSOCIATION

The Irish Poultry Keepers' Association is the outgrowth of a small association started a few years ago in County Kilkenny as the possible beginning of a national movement. It is stated that Ireland has more than 100,000 poultry keepers and the need for such an organization is very great. The project is meeting with success and new members are coming into the association in increasing numbers each month. More than one hundred have been enrolled each month since September.

Efforts are made to market every egg while it may still truly be termed "new-laid." Members are required to deliver eggs twice weekly, each egg stamped with a registered number. At certain seasons the association is able to secure from 10% to 15% more than the regular market price for these eggs of guaranteed quality and freshness.

The organization is of an educational character and publishes the "Poultry Gazette." As a means of improving the stock, the association undertakes to furnish each member with a setting of eggs of a superior strain for a nominal price. A balanced poultry food is also supplied to members at a reasonable cost. This is handled on a cooperative plan, cash with order, and goods secured at contract prices.

Plans for the future include an annual laying test, an experimental poultry farm, and poultry shows.

Dues have been placed at a low figure "to meet the pockets of the very poorest." The work so far has been honorary except for a part-time secretary and two typists. (Irish Statesman, March 21, 1925)



DIVIDEND DECLARED BY MICHIGAN ELEVATOR EXCHANGE

A dividend of \$20,000 was declared on April 22 by the Michigan Elevator Exchange, Lansing, Mich., to be paid in stock in the exchange to member elevators on the basis of patronage. In addition to this stock dividend the directors authorized a payment of 7% interest on all outstanding stock, as of May 1. A similar savings refund of \$8,000 was made in cash in 1923, and in 1924 a refund of \$10,000 in stock was made.

The exchange started business in 1920 as a department of the Michigan State Farm Bureau with 24 elevators. It operates on fixed sales charges, said to be very low. Business is reported to amount to \$1,000,000 a month frequently. In 1924 the form of organization was changed to that of a co-operative stock company. It now has a net worth of \$60,000, with all bills paid.

(See Agricultural Cooperation, March 25, 1924, p.263; Aug. 25, p.282)

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FEDERATED SERVICE FOR PROVIDING BETTER SEEDS

The use of adapted seed of known origin has been greatly stimulated by the organization, by seven state seed-distributing departments, of the Federated Seed Service, and the establishment of headquarters in Chicago, on January 1. The seven organizations making up the membership are as follows:

Michigan Farm Bureau Seed Service, Lansing.  
Cooperative Grange League Federation Exchange, Syracuse, N. Y.  
Ohio Farm Bureau Service Company, Columbus.  
Indiana Farm Bureau Purchasing Department, Indianapolis.  
Virginia Seed Service, Richmond.  
Wisconsin Farm Bureau, Madison.  
Agricultural Corporation of Maryland, Baltimore.

The Michigan organization has been operating over four years and its sales of certified seed to date have amounted to more than \$750,000. The large quantities of Grimm and northern-grown alfalfa seed distributed have increased the production of alfalfa in Michigan from 75,000 to 448,000 acres since this service began and seed of known-origin has made the crop very dependable.

The certified seed business of the Cooperative Grange League Federation Exchange has amounted to more than \$1,000,000 since organization. The Virginia Seed Service operated last year for the first time. This season it is expected the business will exceed \$450,000 in clover, alfalfa, and grass seed.

Last year the Indiana Farm Bureau distributed domestic red clover and hardy alfalfa seed to the amount of \$250,000, and the Ohio Farm Bureau about \$150,000 worth. No figures are available from the other two states.

Plans are being made for seed distribution in Pennsylvania, West Virginia, Iowa, and Minnesota. California is also interested in securing a farm bureau seed department.

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